Government of Saskatchewan

Annual Report 1985

Saskatchewan
Milk
Control
Board

SASKATCHEWAN MILK CONTROL BOARD

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SASKATCHEWAN MILK CONTROL BOARD

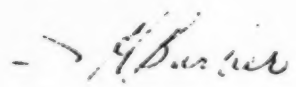
Honourable Grant Devine
President of the Executive Council
Province of Saskatchewan

Sir:

I have the honour to submit herewith the Fifty-First Annual Report of the Saskatchewan Milk Control Board, together with the financial statements for the year ending December 31, 1985, pursuant to the Provisions of Section 38 of the Milk Control Act.

Respectfully submitted,

THE MILK CONTROL BOARD



Stan H. Barber
Chairman

SASKATCHEWAN MILK CONTROL BOARD

BOARD MEMBERS

Chairman

Mr. Stan Barber, Regina

Board Members

Mrs. Henrietta Goplen, Saskatoon

Dr. Eiler Humbert, Saskatoon

Mr. Hans Seitz, Zehner

Mr. Ron Steinley, Rush Lake

OBJECTIVES

The Saskatchewan Milk Control Board was created by an Order in Council of the Saskatchewan Government on April 1, 1935. The Board, which consists of five members appointed by the Lieutenant-Governor-in-Council, is responsible for the administration of The Milk Control Act. In the main, the Act empowers the Board to:

(1) make regulations or orders;

(2) inquire into any matter relating to production, supply, distribution or sale of milk; and

(3) conduct hearings in connection with price regulation, use of quotas, granting of licenses, appeals and penalties.

INTRODUCTION

The past two years have been trying times for the agricultural industries in Saskatchewan. The difficult economic situation facing many Saskatchewan farmers during 1985 has been a dominant factor in the lives of most Saskatchewan people.

The Canadian Dairy Commission along with the Canadian Milk Supply Management Committee continue to keep Canadian industrial milk production in line with total domestic requirements. The 1984-85 dairy year ended with Canadian dairy farmers filling 101.4% of the national market share quota allotment.

Saskatchewan's milk and cream producers shipped a total of 4.460 million kilograms of butterfat during the 1984-85 dairy year (Table IV). This amounted to 101.1% of the province's authorized market share quota. The Board collected a total of $1.726 million from all milk and cream producers who overshipped their yearly quota allotments. After year-end adjustments, Saskatchewan was required to submit $767,000. to the Canadian Dairy Commission because of overquota and export levies. This allowed the Board to refund approximately $959,464. to producers who paid overquota penalty. Individual milk and cream producers in Saskatchewan received refunds on their overquota production up to 2.5% of their individual quotas.

In August, 1985, the Board allocated all of the province's market share quota (4.339 million kilograms of butterfat) to milk and cream producers, according to the milk and cream quota policies. The Board determined that the province's quota allotments would be fully utilized by approved producers.

PRODUCER POOLS

Now in its eleventh year of operation, the milk pooling system continues to operate well. The quota policies allow any milk producer to become a participant in the Group I pool provided they meet the prescribed standards of milk quality and facilities. As a Group I pool member, each producer receives annually a daily quota, which is based on production during the six month quota building period (September 1 to February 28).

Consumption patterns for fluid milk and manufactured dairy products declined during 1985. Dairy producers therefore, had to suffer significant cuts in their yearly quotas so that milk and cream production could be brought in line with domestic requirements (all milk and cream producers incurred a 3% quota reduction during the 1984-85 dairy year).

International prices for dairy products continue to be depressed as a result of larges surpluses in the United States and the European Economic Community. To offset the lower world prices, the within-quota levy on milk shipments increased. The within-quota levy is used primarily to cover the cost of disposing of surplus skimmilk powder produced from shipments within the national market-sharing quota program. The national market-sharing quota is set at a level to bring forth sufficient milk and cream to meet Canadian consumption of butterfat. During the 1984-85 dairy year, approximately 93 million kilograms of skimmilk powder was sold on the world market at a loss of approximately $195 million. This loss was financed by the inquota-levy fund.

During the past several years, the availability of quota has shifted from a surplus of unused quota during the period 1972 to 1981, to an increasingly strong demand for quota from 1982 to the present. As a result of the increased demand for a more flexible quota system, and producer concern regarding the 3% quota reduction during 1985, the Saskatchewan Department of Agriculture commissioned an independant study to be conducted by E.X.P. Consulting Limited. The consultant was to study the present status of, and alternative solutions available respecting:

(1) control of the production and marketing of raw milk;

(2) the management of production quota;

(3) methods of determining farm production costs;

(4) the status of farm separated cream; and

(5) Saskatchewan's share of the national market for industrial milk.

The study was conducted between September 15, 1985 and January 16, 1986. It is the Department of Agriculture's intention to provide an opportunity to all dairy producers and industry representatives to review and react to the study findings and recommendations.

The Board held many meetings to discuss matters of policy, and held numerous additional meetings with producers, distributors and other interested parties to discuss matters pertinent to the dairy industry. The Board and its staff also carry out administrative, organizational and investigational duties as may be necessary to ensure that the objectives of the Board are achieved.

MILK PRODUCTION AND UTILIZATION

The year under review saw a decrease in milk marketed by fluid milk producers. Producers shipped 203,294,363 kilograms of milk to the fluid milk pool. This represented a decrease of 4.7 million kilograms, or a 2.27% decrease from the previous year (Table I). The downward level of milk production was strongly influenced by the 3.0% reduction in milk quotas, and the increase in the overquota levy rates implemented in February, 1985. The number of fluid milk producers decreased by 3.4%, from an average of 793 in 1984 to 766 in 1985. However, despite quota reductions, the average daily shipment per producer continued to increase by 1.01%. Whole milk requirements, or milk utilized for the bottle trade, accounted for 100,089,741 kilograms of milk in 1985, a decrease of 900,865 kilograms or 0.89% over 1984.

Home delivered milk sales showed a slight decrease from 12.3 to 12.0% of total sales, while country sales incurred a much larger decrease from 34.2 to 32.6% of total sales. Wholesale sales of milk to stores and institutions continued to increase, showing an increase from 53.5% in 1984 to 55.4% in 1985 (Table III).

Because of Group I pool price advantage as outlined in Table VII, many of the industrial milk producers continue to upgrade their enterprises to Group I standards.

In December, 1985 there were 751 milk producers in Saskatchewan, compared to 781 a year earlier. Of the total Saskatchewan milk producers, approximately 96% hold Group I pool quota and shipped over 98% of all milk marketed during 1985. Milk producers who do not qualify for Group I pool quota hold approximately 1.8% of the total milk quota (3,698,600 kilograms). The average payment percentage for the Group I pool was approximately 55.7% during 1985, compared to 56.90% a year earlier. The slight decline in payment percentage is due to a combination of factors, such as a greater utilization of Group I pool quota by producers, reduction in fluid milk consumption, and an increase in the amount of milk qualifying for Group I pool.

REGULATED MILK PRICES PAID BY PROCESSORS BY YEAR
(Per Hundred Kilograms of 3.5% Butterfat)

Product by Class	Dec. 31 1983	Dec. 31 1984	Dec. 31 1985	% Change 1984-85
I	$48.65	$51.50	$53.87	+4.60
II	36.69	38.49	39.49	+2.60
III	34.94	36.74	37.74	+2.86

In carrying out its authority for fluid milk pricing (Class I), the Board utilized production cost data from the Saskatchewan Dairy Farm Accounting Project. The price of Class I milk was increased on one occasion, November 16, 1985, when an increase of $2.37 per 100 kilograms was instituted. The Board continued to be ever mindful of the possible impact of increased prices on consumption levels.

At the federal level, the Industrial Target Returns Formula (Class II and Class III), increased on one occasion during the dairy year under review. The Canadian Government announced an increase in target returns of $1.00 per hundred kilograms on August 1, 1985, and to achieve this, the support price for butter was increased to $4.93 per kilogram, while skimmilk powder was set at $2.92 per kilogram. The new target price for industrial milk was set at $44.36 per hundred kilograms (including subsidy).

TRANSPORTATION

The rationalization of milk transportation is an ongoing program, and 1985 was no exception. Saskatchewan's milk producers moved to a single milk quality standard on January 1, 1985. This move has allowed milk transporters to improve their productivity by minimizing or eliminating double coverage of milk routes. It allowed for the gradual changes to larger truck sizes, increased capacity of equipment and shifting of producer routes to achieve optimum utilization of the haulage units.

During 1985, the transportation rates per mile remained constant (Table VIII). The total cost to transport the 203.3 million kilograms of milk marketed amounted to $3.672 million, or an average cost of $1.81 per 100 kilograms. This represents an increase of approximately 1.7% on the average cost of $1.78 per 100 kilograms incurred in the previous year. Although the rate per mile had remained constant, changes in the geographic distribution of milk produced resulted in the increased total transportation cost.

The Board acknowledges and appreciates the commitment of bulk milk transporters in achieving an efficient transportation system.

MILK CONTROL BOARD ACTIVITIES

There were no changes in the Board structure in the year under review.

In the past year, the Board held five regular meetings. In addition, Board members participated in a number of Advisory or Quota Committee meetings, and in meetings with the local dairy organizations.

Permanent staff at the end of this year numbered six, with all of the staff working out of the Board Office in Regina. The Board extends its thanks to all the staff for their excellent work in support of Saskatchewan's dairy industry.

The Board Chairman, together with members of the Quota Advisory Committee, attended seven meetings of the Canadian Milk Supply Management Committee. The Chairman continued to serve on the Secretariat to the Canadian Milk Supply Management Committee, and also represented Saskatchewan as a member on the Subcommittee to review the Federal-Provincial Agreement on milk supply management. The Board gratefully acknowledges the contributions of Committee members, and is indebted to the advice, support and cooperation extended to it by all sectors of the dairy industry.

NATIONAL DAIRY POLICY

On July 10, 1985, the Federal Government appointed two independant advisors to assist the Minister of Agriculture, The Honourable John Wise, in a review of a long-term dairy policy. The two advisors consulted with producer groups, processors, retailers, consumers and Provincial Government representatives from across Canada.

On January 22, 1986, Mr. Wise announced details of a five-year commitment from the Government of Canada to the Dairy Industry.

The highlights of the Long-Term Dairy Policy are as follows:

- Federal subsidy will continue at $6.03 per hectolitre for industrial milk produced for domestic requirements, as well as for 1.1 million hectolitres produced for the special export program.

- Producers will continue to be responsible for all export losses, while the Canadian Dairy Commission is authorized to continue to support market prices for butter and skimmilk powder through its offer-to-purchase program.

- Federal funding for costs associated with buying, storing and marketing butter through the Canadian Dairy Commission will be eliminated.

- The Returns Adjustment Formula will be retained for the time being, however, the Minister indicated he intends to establish a new formula during 1986.

The Long-Term Dairy Policy should provide a reasonable degree of stability to Canada's dairy industry.

MILK CONTROL BOARD ORDERS

The pricing of milk for fluid purposes is a Board responsibility. The Board's primary objective is to provide efficient producers and processors with a fair return to labour, management and investment. The Board utilizes a cost-of-production formula as a guide in decisions related to producer price adjustments.

The Board was engaged in several meetings with producers and processors to discuss fluid milk price increases. The following is an outline of the Board's decisions for 1985.

In Board Order No. 568, filed and effective March 1, 1985, the price structure for U.H.T. flavoured milk was revised in the retail and wholesale sectors. Also, an additional container size of 175 ml. was added to the Board's pricing orders. The following were the amended orders:

SASKATCHEWAN MILK CONTROL BOARD

	MIN.	MAX.
Table 1		
per 250 ml. flavoured U.H.T.	$.32	$.32
Table 2		
per 175 ml. container (partly-skimmed)	$.26	
Table 3		
per 250 ml. flavoured U.H.T.	$.32	$.32
Table 4		
per 175 ml. container (partly-skimmed)	$.26	

In Board Order 569, filed August 16, 1985, and effective August 19, 1985, the price structure was revised in the production sector. The adjusted prices for Class II and Class III milk are listed below:

Class II milk ---------- $39.49 per 100 kilograms
Class III milk ---------- $37.74 per 100 kilograms

Butterfat differential $.43 for each one-tenth percent by which the butterfat deviates from the 3.5% norm.

In Board Order 570, filed November 14, 1985, and effective November 16, 1985, the price structure was revised in the production, retail and wholesale sectors. These orders increased the consumer's price of milk by $0.03 per litre for home delivery. The following outlines some of the adjusted price schedules:

Whole Milk ---------- $3.52/4 ℓ pouch pak
---------- $1.80/2 ℓ carton

Partly Skimmed ---------- $3.44/4 ℓ pouch pak
---------- $1.76/2 ℓ carton

Skim Milk ---------- $3.24/4 ℓ pouch pak
---------- $1.66/2 ℓ carton

Chocolate Drink --------- $ .99/1 ℓ carton

Buttermilk ---------- $ .94/1 ℓ carton

Class I milk ----------$53.87 per 100 kilograms.

THE MILK CONTROL BOARD

FINANCIAL STATEMENTS

Year Ended December 31, 1985

OFFICE OF THE PROVINCIAL AUDITOR

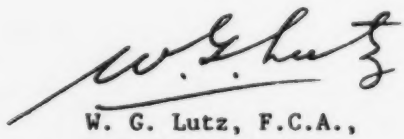
REGINA, SASKATCHEWAN.

AUDITOR'S REPORT

To the Members of the Legislative Assembly
Province of Saskatchewan

I have examined the balance sheet of The Milk Control Board as at December 31, 1985, and the statement of revenue, expenditure and operating surplus for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of The Milk Control Board as at December 31, 1985, and the results of its operations for the year then ended in accordance with the disclosed basis of accounting applied on a basis consistent with that of the preceding year.



Regina, Saskatchewan,
March 26, 1986.

W. G. Lutz, F.C.A.,
Provincial Auditor.

Statement 1

THE MILK CONTROL BOARD

BALANCE SHEET

As at December 31, 1985

(with comparative figures at December 31, 1984)

	1985	1984
ASSETS		
Current:		
Cash and short term deposits (at cost)	$ 671,972	$ 615,092
Accounts receivable		
- producers - on behalf of Canadian Dairy Commission levy	380,478	460,338
- assessment fees	18,595	33,199
- market share quota levy	38,755	--
- overquota levy	33,680	71,867
- accrued interest	3,346	13,860
- grant - Canadian Dairy Commission	--	3,750
- grant - Saskatchewan Agriculture	--	19,785
	1,146,826	1,217,891
Fixed:		
Office furniture & equipment, at cost	24,501	24,189
	$1,171,327	$1,242,080
LIABILITIES AND SURPLUS		
Current:		
Accounts payable		
- Canadian Dairy Commission	$ 697,174	$ 809,855
- market share quota levy (Note 6)	182,553	--
- overquota levy	69,420	124,091
- vacation accrual	23,535	18,645
- other	22,560	14,182
- Dairy Producers Co-op Ltd. (Note 7)	--	107,044
Deferred government assistance (Note 5)	7,500	-
	1,002,742	1,073,817
Equity:		
Fixed assets (Note 1)	24,501	24,189
Operating surplus (Statement 2)	144,084	144,074
	$1,171,327	$1,242,080

(See accompanying notes to the financial statements)

Statement 2

THE MILK CONTROL BOARD

STATEMENT OF REVENUE, EXPENDITURE AND OPERATING SURPLUS

Year Ended December 31, 1985

(with comparative figures for the 1984 year)

	1985	1984
Revenue:		
Assessment fees	$224,036	$232,726
Interest	107,565	95,205
Market-share quota management assessment	7,324	51,473
Cost of Production Study grants	32,845	39,973
Licence fees	170	140
Miscellaneous	10	497
	371,950	420,014
Expenditure:		
Salaries	200,222	193,562
Cost of Production Study	82,011	65,700
Travel, sustenance and vehicle expense	24,740	24,274
Rent	18,797	18,484
Employee benefits	10,982	9,860
Telephone	5,461	8,171
Honorarium - Advisory Board	4,600	4,850
- Milk Control Board	4,750	4,950
Printing, stationery and office supplies	3,699	2,978
Postage	4,629	3,226
Computer communication charges	1,169	711
Sundry	3,495	3,205
Insurance	118	98
Purchase of fixed assets	312	8,259
Overquota levy expenses	6,955	22,626
	371,940	370,954
Excess of revenue over expenditure before extraordinary item	10	49,060
Extraordinary item (Note 7)	--	(107,044)
Excess of revenue over expenditure (expenditure over revenue)	10	(57,984)
Operating surplus, beginning of year	144,074	202,058
Operating surplus, end of year - to Statement 1	$144,084	$144,074

(See accompanying notes to the financial statements)

THE MILK CONTROL BOARD

NOTES TO FINANCIAL STATEMENTS

December 31, 1985

1. Significant Accounting Policies

These financial statements have been prepared in accordance with accounting policies that are considered appropriate for organizations of this type. The significant accounting policies are as follows:

i) Fixed Assets

The Board follows the policy of charging to current year's expenditure the full cost of assets purchased during the year. The cost of the fixed assets is shown on the balance sheet and no depreciation is recorded.

ii) Government Assistance

The Board receives grants from the Saskatchewan Department of Agriculture to assist in Cost of Production studies. This government assistance is recognized as revenue in the period in which the related Cost of Production study expenses have been incurred.

2. Incorporation

The Milk Control Board was established as a body corporate under The Milk Control Act, Chapter 234, Revised Statutes of Saskatchewan, 1965, and is continued under Chapter M-15, Revised Statutes of Saskatchewan, 1978.

The Board has authority to make any regulations or orders in connection with the production, supply, distribution or sale of milk as it may deem necessary.

3. Lease Commitment

At December 31, 1985, the Board was committed under a lease until September 1, 1987, at a monthly rental of $1,256, plus a proportionate share of taxes and utilities which exceed the base year.

4. Contract Commitment

At December 31, 1985, the Board was committed for an estimated amount of $17,070 for the remainder of a research study.

5. Government Assistance

In 1985, The Milk Control Board received $30,000 from Saskatchewan Department of Agriculture to assist in the costs of the Saskatchewan Dairy Study. As of December 31, 1985, approximately three-quarters of the study was complete, the remainder will be completed in 1986. A portion of the assistance has been shown as deferred government assistance in 1985 in order to match the funds received with the expenses incurred.

6. Market Share Quota Levy

This levy was implemented August 1, 1985, by the Milk Control Board. At the end of the dairy year accumulated funds will be used to pay over quota levy charges by the Canadian Dairy Commission and any balance remaining will be returned to producers.

7. Extraordinary Item

As of December 31, 1984, the Milk Control Board owed Dairy Producers Co-operative Ltd. $107,044 for monies that were paid by Dairy Producers Co-operative Ltd. to producers as a result of the bankruptcy of Bell's Dairy Ltd. in 1984.

TABLE I

TOTAL WHOLE MILK REQUIREMENTS, NUMBER OF MILK PRODUCERS AND AVERAGE DAILY PRODUCTION 1984-85 (KGS)

PERIOD	YEAR	WHOLE MILK REQUIREMENTS	TOTAL PRODUCTION	NUMBER OF PRODUCERS	DAILY AVERAGE PER PRODUCER
January	1984	8,617,066	16,756,563	798	677
	1985	8,647,573	18,191,760	773	759
February	1984	7,858,188	16,299,598	798	729
	1985	7,961,497	16,905,151	772	782
March	1984	9,056,604	17,934,629	798	725
	1985	8,558,736	18,759,110	774	782
April	1984	7,940,886	17,462,266	796	731
	1985	8,421,988	17,917,828	773	773
May	1984	8,654,581	18,413,112	796	746
	1985	8,667,806	17,951,778	772	750
June	1984	8,159,411	17,984,435	795	754
	1985	7,647,169	16,452,259	768	714
July	1984	7,792,952	18,336,821	796	743
	1985	7,714,650	16,271,940	764	687
August	1984	8,755,541	18,153,182	794	738
	1985	8,365,919	16,871,016	764	712
September	1984	7,921,936	16,829,757	793	707
	1985	8,154,962	16,047,195	763	701
October	1984	9,003,928	16,584,979	792	676
	1985	8,960,718	15,944,141	760	677
November	1984	9,036,835	15,984,414	781	682
	1985	8,557,332	15,431,745	759	678
December	1984	8,192,678	17,278,332	781	714
	1985	8,431,391	16,550,440	751	710
TOTALS	1984	100,990,606	208,018,088	793	719
	1985	100,089,741	203,294,363	766	727
% Change		-.89	-2.27		+1.01

TABLE II

COMPARATIVE FIGURES ON KILOGRAMS OF MILK
PRODUCTION AND SALES - 1983-84-85

CONTROL AREAS		1983	1984	1985
REGINA	PRODUCTION	40,522,575	42,186,699	39,593,559
	SALES	32,575,755	33,118,528	32,562,008
PRINCE ALBERT	PRODUCTION	7,243,849	7,644,893	6,868,802
	SALES	6,121,092	6,204,015	6,178,421
YORKTON	PRODUCTION	30,712,938	35,486,683	37,294,882
	SALES	7,489,258	8,600,236	8,667,403
SASKATOON	PRODUCTION	73,881,151	78,479,504	76,684,452
	SALES	32,474,638	32,306,165	31,703,609
SWIFT CURRENT	PRODUCTION	21,752,372	22,506,286	21,651,678
	SALES	4,697,268	4,690,648	4,609,881
BATTLEFORDS	PRODUCTION	8,055,755	8,605,217	8,576,381
	SALES	4,581,783	4,604,327	4,672,128
MELVILLE	PRODUCTION	2,225,129	366,238	-
	SALES	1,718,384	253,135	-
WEYBURN	PRODUCTION	2,330,612	2,248,374	2,168,371
	SALES	2,426,810	2,369,362	2,374,546
ESTEVAN	PRODUCTION	2,565,492	2,486,596	2,497,290
	SALES	2,007,268	2,077,853	2,180,372
MELFORT	PRODUCTION	4,443,244	4,466,709	4,495,401
	SALES	3,747,175	3,833,680	3,953,095
LLOYDMINSTER	PRODUCTION	3,277,899	3,540,889	3,463,547
	SALES	2,917,220	2,932,657	3,188,278
TOTALS	**PRODUCTION**	197,011,016	208,018,088	**203,294,363**
	SALES	100,756,651	100,990,606	**100,089,741**

TABLE III

COMPARATIVE SALES BY LITRES OF MILK AND CREAM PRODUCTS IN CONTROL AREAS - 1984-85

PRODUCTS	YEAR	RETAIL SALES (HOME DELIVERY)	WHOLESALE SALES	COUNTRY SALES	TOTAL SALES	%
Whole Milk	1984	3,185,386	13,075,863	9,748,215	26,009,464	26.4
	1985	2,903,893	12,397,313	8,844,610	24,145,816	24.7
Partly Skimmed	1984	7,934,859	33,365,837	21,119,304	62,420,000	63.4
	1985	7,754,597	35,034,018	20,142,657	62,931,272	64.4
Skimmed	1984	822,433	2,905,197	1,056,276	4,783,906	4.9
	1985	874,302	3,404,189	1,254,534	5,533,025	5.7
Chocolate	1984	167,226	2,901,373	1,487,732	4,556,331	4.6
	1985	144,583	2,776,012	1,364,725	4,285,320	4.4
Buttermilk	1984	37,643	446,584	273,458	757,685	.7
	1985	36,604	452,575	245,325	734,504	.8
TOTAL MILK SALES	1984	12,147,547	52,694,854	33,684,985	98,527,386	100.0
	1985	11,713,979	54,064,107	31,851,851	97,629,937	100.0
10% Cream	1984	140,276	1,276,101	507,029	1,923,406	
	1985	129,827	1,310,595	478,038	1,918,460	
32% Cream	1984	13,458	358,805	207,470	579,733	
	1985	12,722	426,580	215,488	654,790	

TOTAL MILK SALES BY DISTRIBUTION OUTLET 1984 - 85

	1984	%	1985	%
Retail Sales (Home Delivery)	12,147,547	12.3	11,713,979	12.0
Wholesale Sales	52,694,854	53.5	54,064,107	55.4
Country Sales	33,684,985	34.2	31,851,851	32.6
TOTAL SALES	98,527,386	100.0	97,629,937	100.0

TABLE 1V

MARKET SHARE QUOTA UTILIZATION BY DAIRY YEAR

			INDUSTRIAL MILK 1/		INDUSTRIAL CREAM	
MONTH	YEAR	AVERAGE TEST	KILOGRAMS MILK	KILOGRAMS BUTTERFAT	KILOGRAMS BUTTERFAT	KILOGRAMS BUTTERFAT
August	1983	3.38	9,096,686	307,468	99,632	407,100
	1984	3.48	9,922,902	345,317	92,013	437,330
September	1983	3.52	7,069,972	248,863	86,448	335,311
	1984	3.66	8,724,590	319,320	68,866	388,186
October	1983	3.73	7,413,941	276,540	64,652	341,192
	1984	3.76	8,003,138	300,918	59,960	360,878
November	1983	3.75	6,865,653	257,462	53,963	311,425
	1984	3.71	7,000,674	259,725	48,822	308,547
December	1983	3.69	7,637,615	281,828	44,995	326,823
	1984	3.64	9,235,357	336,167	39,158	375,325
January	1984	3.59	8,460,000	303,714	47,838	351,552
	1985	3.62	9,077,127	328,592	48,170	376,762
February	1984	3.52	8,837,926	311,095	48,534	359,629
	1985	3.61	8,551,385	308,705	46,890	355,595
March	1984	3.52	9,364,858	329,643	60,026	389,669
	1985	3.56	9,707,893	345,601	50,456	396,057
April	1984	3.53	9,958,329	351,529	65,594	417,123
	1985	3.58	9,048,352	323,931	61,207	385,138
May	1984	3.50	10,219,171	357,671	88,020	445,691
	1985	3.51	8,837,350	310,191	75,216	385,407
June	1984	3.44	10,304,070	354,460	85,862	440,322
	1985	3.46	8,237,428	285,015	69,912	354,927
July	1984	3.41	11,068,622	377,440	76,459	453,899
	1985	3.42	8,068,041	275,927	60,144	336,071
TOTALS	1983/84	3.54	106,296,843	3,757,713	822,023	4,579,736
	1984/85	3.58	104,414,237	3,739,409	720,814	4,460,223

1/ Includes all milk utilized for industrial purposes.

TABLE V

SALES OF MILK AND CREAM PRODUCTS IN LITRES IN CONTROL AREAS - 1984-85

		WHOLE MILK	PARTLY SKIM-MED MILK	SKIM MILK	CHOCOLATE MILK	BUTTER MILK	10% CREAM	32% CREAM	TOTAL LITRES
Regina	1984	8,437,148	20,177,722	1,886,969	1,584,082	234,432	727,785	154,983	33,203,121
	1985	7,775,637	20,153,297	2,160,099	1,453,825	225,199	743,454	177,069	32,688,580
% Change		- 7.84	- .12	+14.47	- 8.22	- 3.94	+ 2.15	+14.25	- 1.55
Prince Albert	1984	1,834,032	3,740,984	154,602	278,546	44,183	62,140	32,163	6,146,650
	1985	1,702,878	3,824,923	190,211	265,883	42,778	61,305	35,953	6,123,931
% Change		- 7.15	+ 2.24	+23.03	- 4.55	- 3.18	- 1.34	+11.78	- .37
Yorkton	1984	2,754,482	4,994,973	274,087	265,453	88,987	197,327	70,311	8,645,620
	1985	2,605,819	5,137,648	352,131	267,930	80,402	201,683	77,747	8,723,360
% Change		- 5.40	+ 2.86	+28.47	+ .93	- 9.65	+ 2.21	+10.58	+ .90
Saskatoon	1984	7,468,940	20,701,618	1,682,178	1,418,198	243,734	707,204	205,457	32,427,329
	1985	6,790,852	20,680,756	1,899,072	1,303,114	245,168	684,140	235,789	31,838,891
% Change		- 9.08	- .10	+12.89	- 8.12	+ .59	- 3.26	+14.76	- 1.81
Swift Current	1984	1,185,701	2,906,864	246,756	190,293	44,314	54,079	32,144	4,660,151
	1985	1,112,124	2,869,108	295,820	174,751	42,514	56,905	35,273	4,586,495
% Change		- 6.21	- 1.30	+19.88	- 8.17	- 4.06	+ 5.23	+ 9.73	- 1.58
Battlefords	1984	1,399,579	2,758,666	109,639	194,290	28,346	48,018	22 017	4,560,555
	1985	1,332,254	2,877,637	127,283	190,648	28,523	50,137	23,766	4,630,248
% Change		- 4.81	+ 4.31	+16.09	- 1.88	+ .62	+ 4.41	+ 7.94	+ 1.53
Melville [1]	1984	90,734	141,051	841	12,690	1,763	5,502	2,932	255,513
	1985	-	-	-	-	-	-	-	-
% Change		-	-	-	-	-	-	-	-
Weyburn	1984	601,797	1,443,154	114,132	139,473	16,207	30,582	9,876	2,355,221
	1985	569,479	1,468,872	129,321	135,990	15,947	26,456	11,410	2,357,475
% Change		- 5.37	+ 1.78	+13.31	- 2.50	- 1.60	-13.49	+15.53	+ .10
Estevan	1984	592,124	1,277,868	46,470	100,465	11,042	17,137	10,108	2,055,214
	1985	583,974	1,354,949	59,319	121,424	9,972	18,356	10,588	2,158,582
% Change		- 1.38	+ 6.03	+27.65	+20.86	- 9.69	+ 7.11	+ 4.75	+ 5.03
Melfort	1984	1,052,106	2,356,006	120,152	179,617	32,899	48,659	27,554	3,816,993
	1985	1,060,234	2,460,915	131,079	172,410	31,640	49,094	32,123	3,937,495
% Change		+ .77	+ 4.45	+ 9.09	- 4.01	- 3.83	+ .89	+16.58	+ 3.16
Lloydminster [2]	1984	592,821	1,921,094	148,080	193,224	11,778	24,973	12,188	2,904,158
	1985	612,565	2,103,167	188,690	199,345	12,361	26,930	15,072	3,158,130
% Change		+ 3.33	+ 9.48	+27.42	+ 3.17	+ 4.95	+ 7.84	+23.67	+ 8.75
TOTALS	1984	26,009,464	62,420,000	4,783,906	4,556,331	757,685	1,923,486	579,733	101,030,525
	1985	24,145,816	62,931,272	5,533,025	4,285,320	734,504	1,918,480	654,798	100,203,187
% Change		- 7.17	+ .82	+15.66	- 5.95	- 3.06	- .26	+12.95	- .82

1/ Melville plant closed, Yorkton and Regina assumed sales.

2/ Lloydminster is not a controlled area but is under the Saskatchewan Fluid Milk Pool

TABLE VI

SALES OF FLUID MILK IN LITRES IN CONTROL AREAS - 1984-85 (WHOLE MILK, PARTLY SKIMMED, SKIM, CHOCOLATE, BUTTERMILK

		REGINA	PRINCE ALBERT	YORKTON	SASKATOON	SWIFT CURRENT	BATTLEFORDS	MELVILLE[1/]	MEYBURN	ESTEVAN	MELFORT	LLOYD-MINSTER	TOTALS
Jan.	1984	2,748,329	498,795	617,419	2,760,736	380,369	363,488	130,152	191,463	168,181	300,369	246,851	8,406,152
	1985	2,767,964	499,196	727,328	2,724,794	374,627	376,504	-	203,317	182,412	319,202	258,821	8,434,165
% Change		+ .71	+ .08	+17.80	- 1.31	- 1.51	+ 3.58		+ 6.19	+ 8.46	+ 6.27	+ 4.85	+ .33
Feb.	1984	2,459,607	459,939	602,060	2,502,644	349,721	343,472	116,927	173,511	161,376	284,177	214,262	7,667,696
	1985	2,574,029	464,039	682,214	2,490,109	338,292	349,120	-	181,705	164,324	286,881	235,384	7,766,097
% Change		+ 4.65	+ .89	+13.31	- .50	- 3.27	+ 1.64		+ 4.72	+ 1.83	+ .95	+ 9.86	+ 1.28
March	1984	2,923,605	519,450	755,661	2,898,463	400,943	380,725		202,296	180,879	325,454	247,919	8,835,395
	1985	2,745,858	502,960	731,918	2,695,499	369,183	378,129		192,290	179,144	311,327	244,273	8,350,581
% Change		- 6.08	- 3.17	- 3.14	- 7.01	- 7.92	- .68		- 4.95	- .96	- 4.34	- 1.47	- 5.49
April	1984	2,541,880	467,912	642,133	2,532,126	365,072	345,358		178,650	155,803	288,094	228,020	7,745,048
	1985	2,665,612	499,426	704,316	2,649,965	380,224	374,207		194,726	170,130	315,220	260,361	8,214,187
% Change		+ 4.87	+ 6.74	+ 9.68	+ 4.65	+ 4.15	+ 8.35		+ 9.00	+ 9.20	+ 9.42	+14.18	+ 6.06
May	1984	2,783,572	508,724	734,144	2,678,645	406,578	384,548		199,700	175,278	326,979	243,257	8,441,425
	1985	2,790,897	518,153	721,379	2,634,541	397,621	398,285		197,891	184,737	349,998	259,661	8,453,163
% Change		+ .26	+ 1.85	- 1.74	- 1.65	- 2.20	+ 3.57		- .91	+ 5.40	+ 7.04	+ 6.74	+ .14
June	1984	2,619,515	512,198	708,993	2,474,176	374,148	378,541		195,095	166,909	311,682	218,676	7,959,933
	1985	2,384,088	475,278	673,994	2,315,460	356,337	366,198		183,318	165,655	303,778	234,788	7,458,894
% Change		- 8.99	- 7.21	- 4.94	- 6.41	- 4.76	- 3.26		- 6.04	- .75	- 2.54	+ 7.37	- 6.29
July	1984	2,438,023	512,993	667,795	2,355,137	372,656	389,557		196,745	149,417	299,891	225,500	7,607,714
	1985	2,363,996	511,501	675,384	2,311,995	358,593	398,901		192,771	159,964	306,536	248,423	7,528,064
% Change		- 3.04	- .29	+ 1.14	- 1.83	- 3.77	+ 2.40		- 2.02	+ 7.06	+ 2.22	+10.17	- 1.05
Aug.	1984	2,821,260	568,163	733,471	2,608,085	412,632	421,425		213,580	173,081	344,454	249,549	8,545,700
	1985	2,601,538	558,742	721,438	2,436,419	412,853	409,230		201,144	186,622	349,344	281,766	8,159,096
% Change		- 7.79	- 1.66	- 1.64	- 6.58	+ .05	- 2.89		- 5.82	+ 7.82	+ 1.42	+12.91	- 4.52
Sept.	1984	2,550,365	464,561	702,584	2,469,872	350,663	334,753		176,591	165,800	292,630	221,325	7,729,144
	1985	2,656,374	469,078	632,594	2,579,808	353,806	347,484		176,296	167,851	302,873	268,327	7,954,491
% Change		+ 4.16	+ .97	- 9.96	+ 4.45	+ .90	+ 3.80		- .17	+ 1.24	+ 3.50	+21.24	+ 2.92
Oct.	1984	2,896,034	524,171	754,796	2,841,142	396,442	393,164		207,112	181,136	330,892	260,391	8,785,280
	1985	2,849,609	515,753	753,038	2,797,559	398,011	396,560		201,936	195,065	350,491	283,396	8,741,418
% Change		- 1.60	- 1.61	- .23	- 1.53	+ .39	+ .86		- 2.50	+ 7.69	+ 5.92	+ 8.83	- .50
Nov.	1984	2,941,352	522,749	738,367	2,852,462	396,450	388,417		200,552	179,188	331,162	264,978	8,815,677
	1985	2,724,009	503,382	715,754	2,673,388	370,300	376,928		194,816	190,146	323,428	275,261	8,347,412
% Change		- 7.39	- 3.70	- 3.06	- 6.28	- 6.60	- 2.96		- 2.86	+ 6.12	- 2.34	+ 3.88	- 5.31
Dec.	1984	2,596,811	492,692	720,559	2,541,180	368,254	367,072		179,468	170,921	304,996	246,269	7,988,222
	1985	2,644,083	509,165	704,573	2,609,425	384,470	384,799		199,399	183,588	337,200	265,667	8,222,369
% Change		+ 1.82	+ 3.34	- 2.22	+ 2.69	+ 4.40	+ 4.83		+11.11	+ 7.41	+10.56	+ 7.88	+ 2.93
TOTALS	1984	32,320,353	6,052,347	8,377,982	31,514,668	4,573,928	4,490,520	247,079	2,314,763	2,027,969	3,740,780	2,866,997	98,527,386
	1985	31,768,057	6,026,673	8,443,930	30,918,962	4,494,317	4,556,345	-	2,319,609	2,129,638	3,856,278	3,116,128	97,629,937
% Change		- 1.71	- .42	+ .79	- 1.89	- 1.74	+ 1.47		+ .21	+ 5.01	+ 3.09	+ 8.69	- .91

1/ Melville processing plant ceased. Yorkton and Regina areas assumed sales.

TABLE VII

THE AVERAGE MONTHLY MILK POOL PRICE, 1984-85 [1/]
(Per Hundred Kilograms of 3.5% Butterfat)

	Group I Pool			Group II Pool		
Month	1984	1985	% Change	1984	1985	% Change
January	$43.23	$45.65	5.6	$35.61	$37.51	5.3
February	42.98	45.59	6.1	35.62	37.77	6.0
March	43.48	45.22	4.0	35.58	37.57	5.6
April	42.94	45.60	6.2	35.96	37.70	4.8
May	43.40	45.27	4.3	36.12	37.27	3.2
June	43.23	44.85	3.7	35.97	37.19	3.4
July	42.68	45.01	5.5	35.96	37.15	3.3
August	44.86	44.72	-0.3 [2/]	36.50	37.76	3.5 [2/]
September	45.18	46.62	3.2 [2/]	37.20	39.16	5.3 [2/]
October	45.51	47.13	3.6	37.12	39.46	6.3
November	45.98	47.66	3.7	37.59	39.34	4.7
December	44.71	47.33	5.9	37.24	38.92	4.5
YEARLY AVERAGE	44.05	45.89	4.2	36.23	37.76	4.2

1/ Price includes subsidies less inquota levies.

2/ August and September prices distorted.(dairy workers strike)

TABLE VIII

SCHEDULE OF BASIC TRANSPORTATION CHARGES
BASED ON PRODUCER MONTHLY PRODUCTION

KGS. PRODUCED MONTHLY	PRODUCER 1/ BASIC RATE 1985
Min. Charge - 9,000	1.264
9,001 - 13,600	1.238
13,601 - 18,100	1.213
18,101 - 22,600	1.174
22,601 - 27,200	1.160
27,201 - 31,700	1.148
31,701 - 36,200	1.135
36,201 - 40,800	1.122
40,801 - 45,300	1.109
45,301 - 49,900	1.096
49,901 - 54,400	1.084
54,401 - 58,900	1.070
58,901 - 63,500	1.057
63,501 - 68,000	1.045
68,001 - 72,600	1.031
72,601 - 77,100	1.019
77,101 - 81,600	1.006
81,601 - 86,200	.980
86,201 - 90,700	.980
90,701 and over	

Distance to be based on the air kilometers between the producer and the nearest processor.

1/ A kilometer rate of 1.21¢ (.0121) per kilometer per 100 kgs.